



REVIEW OF THE
DEPARTMENT OF ECONOMIC DEVELOPMENT
DIVISION OF TOURISM

**From The Office Of State Auditor
Claire McCaskill**

Report No. 2000-11
February 25, 2000

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

February 2000

The following problems were discovered as a result of a review conducted by our office of the Department of Economic Development, Division of Tourism.

Our review noted that the contract between the division and its advertising agency does not require the advertising agency to obtain competitive bids for purchases in excess of a predetermined amount. However, the advertising agency established a procurement policy for purchases relating to its contract with the division. This policy indicates that for purchases in excess of \$25,000, bids must be solicited from at least five sources. Our review of the advertising agency's records revealed that bids were not always solicited nor was bid documentation always retained for various purchases made during the audit period. Examples include \$102,508 and \$68,248 for the printing of two different magazine inserts.

Our review also examined the division's sponsoring various events to promote tourism in the state. We found the division had entered into a sponsorship contract for \$50,000, as did six other states, with the Mississippi River Cycling and Hiking Corridor, Inc. (MRCHC) to promote the Mississippi River Trail and the American Derby 2000 bicycle race.

Our review of this event revealed the division paid \$25,000 in December 1998, to the MRCHC when the arrangements of the American Derby 2000 were not yet known. MRCHC produced a promotional video to attract sponsors. The video presented MRCHC's intentions to have an 11 day race from St. Louis to New Orleans attracting race teams from across the U.S. and from Europe. The video also promised the event would be nationally televised. However, a signature sponsor was not obtained and the event had to be reorganized. The date of the event, the number of races, and the number of potential participants are still unknown.

In the future, to ensure the funds will be utilized for the intended purpose and that the event will live up to the expectations, the details of the event should be known before any sponsorship payments are made and steps should be taken to ensure the provisions of the contract have been met.

The Division of Tourism entered into a contract with the St. Louis Convention and Visitors Commission (CVC) to reimburse the CVC up to \$525,969 of the costs from the visit of Pope John Paul II to St. Louis, Missouri in January 1999. This contract was entered into without any formal action by the legislature approving this expenditure. Formal approval of this contractual obligation should have been obtained prior to the signing of the contract.

YELLOW SHEET

REVIEW OF THE
DEPARTMENT OF ECONOMIC DEVELOPMENT
DIVISION OF TOURISM

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STATE AUDITOR'S REPORT



CLAIRE C. McCASKILL
Missouri State Auditor

Honorable Mel Carnahan, Governor
and
Joseph L. Driskill, Director
Department of Economic Development
and
Members of the Tourism Commission
and
Christopher Jennings, Director
Division of Tourism
Jefferson City, Missouri 65102

We have conducted a review of the Department of Economic Development, Division of Tourism. The scope of this review included, but was not limited to, the period of July 1, 1997 through June 30, 1999. The objectives of this review were to:

1. Review certain management control procedures, legal compliance issues, policies, and management practices.
2. Determine the extent to which prior audit recommendations have been implemented.

Our review was made in accordance with applicable generally accepted government auditing standards and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed the division's revenues, expenditures, contracts, and other pertinent procedures and documents, and interviewed division personnel.

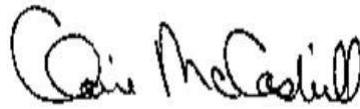
As part of our review, we assessed the division's management controls to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to management controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our review was limited to the specific matters described above and was based on selected tests and procedures considered appropriate in the circumstances. Had we performed additional

procedures, other information might have come to our attention that would have been included in this report.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the division's management and was not subjected to the procedures applied in our review of the Department of Economic Development, Division of Tourism.

The accompanying Management Advisory Report presents our findings and recommendations from our review of the Department of Economic Development, Division of Tourism.

A handwritten signature in black ink, appearing to read "Claire McCaskill".

Claire McCaskill
State Auditor

September 17, 1999 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
Audit Manager:	John Blattell, CPA
In-Charge Auditor:	Merit Voshage, CPA
Audit Staff:	Thomas Franklin

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Current Recommendations

REVIEW OF THE
DEPARTMENT OF ECONOMIC DEVELOPMENT
DIVISION OF TOURISM
SUMMARY OF FINDINGS

1. Papal Visit (pages 7-9)

The division entered into a contract with the St. Louis Convention and Visitors Commission (CVC) without having the funds appropriated for this obligation and without the approval of the Tourism Commission. In addition, the division did not require bidding documentation for any of the approved invoices submitted by the St. Louis CVC.

2. Expenditures and Contracts (pages 9-12)

The contract between the division and the advertising agency does not contain provisions requiring the advertising agency to solicit bids with its subcontractors and bid documentation was not sufficient for \$170,756 of expenditures reimbursed to the advertising agency. The division does not require the advertising agency to pay its subcontractors prior to requesting reimbursement from the division. In addition, adequate documentation is not always maintained to support expenditures. The division made reimbursements for duplicate invoices submitted and for alcohol related expenditures.

3. Sponsorships (pages 12-13)

The division agreed to sponsor and paid \$25,000 in December 1998 toward the American Derby bicycle race before the arrangements of the event were known. The division did not properly monitor the contract provisions. The specifics of this event are still unknown. Written criteria has not been developed for selecting events to be sponsored by the division and records are not maintained to enable the division to evaluate the economic impact of sponsorships.

4. General Fixed Assets (pages 13-14)

Fixed asset additions are not recorded in the fixed asset records in a timely manner and are not reconciled to equipment expenditures. A physical inventory of fixed assets is not performed on an annual basis and fixed assets are not always tagged as division property.

REVIEW OF THE
DEPARTMENT OF ECONOMIC DEVELOPMENT
DIVISION OF TOURISM
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S CURRENT RECOMMENDATIONS

1. Papal Visit

On January 26 and 27, 1999, Pope John Paul II came to St. Louis, Missouri to visit. He met with President Clinton and Vice President Gore. The Papal visit was considered a visit by a head of state and \$3.4 million estimated cost was financed in part by federal funds, state agencies (including the Division of Tourism), the City of St. Louis, Papal Visit 1999 (a nonprofit corporation established by the Archdiocese of St. Louis), and others. The Division of Tourism entered into a contract with the St. Louis Convention and Visitors Commission (CVC) to reimburse the CVC up to \$526,969 of the related costs from the state's General Revenue Fund and the Tourism Supplemental Revenue Fund. While the CVC has not yet been reimbursed for any of the expenditures, the division has approved and intends to pay several of the invoiced costs. Our review of the contract and the related expenditures noted the following concerns.

- A. The division entered into the contract with the St. Louis CVC without having funds appropriated for this obligation. The expenditures associated with the Papal visit were not included in the budget approved by the Tourism Commission for fiscal year 1999. As a result, the division found it necessary to request an emergency appropriation to meet some of its contractual obligation. Additional monies were approved from the following sources:

FY99 Supplemental General Revenue Fund - State	
Appropriation (Reappropriated to FY2000)	\$ 299,463
FY99 Appropriation Tourism Supplemental	
Revenue Fund (Reappropriated to FY2000)	227,506
	<u>\$ 526,969</u>

It appears the division may have circumvented the budgetary process by incurring expenditures prior to receiving authorization by the commission in the division's budget. To ensure there are sufficient funds to meet contractual obligations, the division should monitor expenditures from appropriations and evaluate the overall financial condition before entering into contracts for unplanned expenditures. If additional funds are needed, the division should follow the proper procedures for requesting additional appropriations before entering into contractual agreements. Section 33.040, RSMo 1994, provides that no obligation shall be incurred by any department unless there is an unencumbered balance in the appropriation sufficient enough to pay the obligation. Requesting additional appropriations in advance reduces the likelihood of deficit spending and of incurring

expenditures not approved by the legislature, which must be avoided to ensure the division operates within its budgeting authority.

- B. The contract with the St. Louis CVC was entered into after the date of the Papal visit. The contract was signed by the President of the St. Louis CVC on February 8, 1999, and the Deputy Director of the Division of Tourism on February 9, 1999, which is approximately 2 weeks after the Papal visit. In addition, the contract was not approved by the Tourism Commission until after the agreement was signed.

To ensure monies are appropriately spent, the contract terms should be defined before the purpose of the contract has occurred, and the Tourism Commission should approve major commitments before division personnel enter into such agreements.

- C. The division's contract authorizes the St. Louis CVC to expend up to \$526,969 for "acceptable related expenditures". The division has received several invoices from the CVC which have been approved; however, the division does not intend to make any reimbursements until the full contract amount has been approved. Our review of these invoices revealed the actual expenditures were incurred by the Papal Visit 1999 not-for-profit organization. The Papal Visit 1999 is affiliated with the Archdiocese of St. Louis and incurred a substantial portion of the costs relating to the Pope's visit. The St. Louis CVC is submitting invoices from the Papal Visit 1999 for reimbursement by the division.

During our review of the expenditures we noted bidding documentation has not been submitted with the invoices. In addition, the contract with the St. Louis CVC does not require competitive bidding for purchases in excess of a predetermined amount. Section 34.040, RSMo Cumulative Supp. 1999 requires all purchases in excess of \$3,000 to be competitively bid. Without requiring the CVC to submit documentation of bids, the division can not ensure it is receiving a fair value for the goods and services to be reimbursed.

WE RECOMMEND the division:

- A. Discontinue incurring expenditures not authorized by the commission and the legislature. In addition, the division should monitor expenditures from appropriations and evaluate the overall financial condition before entering into contracts for unplanned expenditures. If additional funds are needed, requests should be filed and approved prior to entering into contractual agreements.
- B. Ensure the Tourism Commission approves major commitments before division personnel enter into such agreements.
- C. Require contract purchases to adhere to state bidding policies and procedures.

AUDITEE'S RESPONSE

- A. *When the Missouri Division of Tourism entered into the contract on February 9, 1999, the division had unencumbered funds well in excess of those needed for the \$526,969 contract with the St. Louis Convention and Visitors Commission. In fact, monthly reports generated by the Office of Administration show that at the end of February 1999, the Division of Tourism had \$3,568,059 in unencumbered funds available in the expense and equipment budget. The Missouri Division of Tourism did not exceed the appropriation authority granted by the General Assembly when it entered into the contract.*

The budget approved by the Tourism Commission does allow the Division of Tourism flexibility to take advantage of opportunities such as the Papal visit. An opportunity of this importance and magnitude to develop recognition and showcase St. Louis and the state of Missouri to the world is truly a rarity.

Given the amount of funds committed to this unexpected opportunity, the Division of Tourism utilized the State of Missouri Supplemental Appropriation process available to it by requesting additional funding to minimize the financial impact on other advertising efforts that would occur later in the year. The House of Representatives and the Senate concurred with the request by including additional funding in section 14.050 of House Bill 14.

We concur with the recommendation that the Missouri Tourism Commission should have taken formal action approving this support prior to the signing of the contract. However, the division respectfully disagrees that it incurred expenditures not authorized by the legislature.

- B. *We concur.*
- C. *We concur and have implemented.*

2. Expenditures and Contracts

- A. The contract between the division and the advertising agency does not require the advertising agency to obtain competitive bids for purchases in excess of a predetermined amount. However, the advertising agency established a procurement policy for purchases relating to its contract with the division. This policy indicates that for purchases under \$10,000, the advertising agency may contact one or more vendors to obtain quotes, pricing, or bids. For purchases between \$10,000 and \$25,000, the policy indicates the advertising agency may solicit verbal offers using at least three sources selected in a fair and consistent manner. For purchases in excess of \$25,000, the policy indicates written bids must be solicited from at least five sources.

Our review of the advertising agency's records revealed that bids were not always solicited nor was bid documentation always retained for various purchases made during the audit period. Examples include \$102,508 and \$68,248 for the printing of two different magazine inserts.

To ensure a competitive process and to ensure all vendors receive a fair opportunity to participate in division business, the division at a minimum should require the advertising agency to obtain independent competitive bids for all purchases in excess of a predetermined amount established by the advertising agency and require the advertising agency to maintain adequate documentation of these bids to provide evidence the bidding process followed the guidelines. Furthermore, established bidding procedures should provide a framework for economical management of the division's resources and help ensure the division receives fair value by contracting with the lowest and best bidders.

In addition, the division should work with the Office of Administration to ensure these bidding requirements are included in future advertising contracts.

Similar conditions were noted in our prior report.

- B. The division does not require its advertising agency to pay its subcontractors prior to requesting reimbursement and commission fees from the division. Without requiring the advertising agency to pay its subcontractor prior to being reimbursed, the division has no assurance those subcontractors will be paid. The division should reimburse the advertising agency only after the agency has paid its subcontractors.

Similar conditions were noted in our prior report.

- C. The division contracts with a company to provide international marketing services. Our review of the expenditures made to the marketing company revealed the following concerns:

- 1) Adequate documentation is not always maintained to support expenditures. The contract with the company allows for reimbursement of professional services which are above and beyond the required services. The company was reimbursed \$9,800 for professional services; however, there were no descriptions of the types of services performed to determine whether or not they actually went above and beyond the contract requirements.

All disbursements should be supported by paid receipts and/or vendor provided invoices to ensure the expenditures are proper and in compliance with the provisions of the contract. Invoices for professional services should include the number of hours worked by day, who provided the services, the hourly rate being charged, and a description of the work performed.

- 2) We also noted that duplicate payments were made on two invoices totaling \$478. The first payment had the original invoice attached as supporting documentation while the second payment had a hand written copy of the original invoice attached as supporting documentation. To prevent duplicate payments, disbursements should only be made on properly approved original invoices.
- 3) The marketing company was reimbursed \$690 for alcoholic beverage related expenditures, which were incurred while entertaining tour operators in Ireland. Reimbursing expenditures related to alcoholic beverages is an inappropriate use of division funds. In addition, the state travel regulations and the Office of Administration's general policies prohibit reimbursement for the purchase of alcoholic beverages.

Procedures for reviewing supporting documentation should be followed to ensure expenditures are in compliance with the contract provisions and necessary to conduct state business.

WE RECOMMEND the division:

- A. Require the advertising agency to adhere to its bidding requirements, to maintain documentation of bids received, and to evaluate bids in accordance with the contract guidelines. In addition, the division should add to future contracts the requirement that the advertising agency obtain competitive bids for all purchases in excess of a predetermined amount.
- B. Require the advertising agency to pay its subcontractors prior to requesting reimbursement from the division.
- C.1.
& 2. Ensure adequate supporting documentation is maintained to support all disbursements and that duplicate payments are not made by making disbursements from original invoices only. In addition, the division should seek reimbursement of the \$478.
- C.3. Ensure procedures for reviewing invoices for compliance with the contract provisions are followed and the expenditures are necessary to conduct state business.

AUDITEE'S RESPONSE

- A. *We concur.*
- B. *We concur with the State Auditor's recommendation that the advertising agency pay its subcontractors prior to requesting reimbursement from the division. We will implement this recommendation with the new advertising contract that will become effective July 1, 2000.*

C.1,

2&3. *We concur. The Missouri Division of Tourism has made a reduction to subsequent billings from the vendor to correct the account.*

3.

Sponsorships

- A. The division sponsors various events to promote tourism in the state. The division entered into a sponsorship contract for \$50,000, as did six other states, with the Mississippi River Cycling and Hiking Corridor, Inc. (MRCHC) to promote the Mississippi River Trail (MRT) and the American Derby 2000 bicycle race.

Our review of this event revealed the division paid \$25,000 in December 1998, to the MRCHC when the arrangements of the American Derby 2000 were not yet known. MRCHC produced a promotional video to attract sponsors. The video presented MRCHC's intentions to have an 11 day race from St. Louis to New Orleans attracting race teams from across the United States and from Europe. The video also promised the event would be nationally televised. However, a signature sponsor was not obtained and the event had to be reorganized. The date of the event, the number of races, and the number of potential participants are still unknown.

In addition, the contract details indicate that a brochure for the Missouri portion of the MRT will be produced by mid-year 1999. Since the first payment, there has been no communication between the division and the MRCHC. The division has not performed any procedures to monitor compliance with the terms of the contract or the progress of the event.

The contract does not indicate when the remaining \$25,000 portion of the sponsorship amount will be due. Before any additional payments are made to the MRCHC, the division should request the details of the race, an expenditure report, and the brochures. In the future, to ensure the funds will be utilized for the intended purpose and that the event will live up to the expectations, the details of the event should be known before any sponsorship payments are made and steps should be taken to ensure the provisions of the contract have been met.

- B. The division has not established written criteria for selecting events to be sponsored by the division. Applications describing the event are completed and the sponsorship requests are reviewed on a case by case basis, but there are no written guidelines for determining what events should be sponsored. In addition, the division does not maintain records to determine the amount spent on sponsorships each year, the number of events sponsored, the regions benefiting from the sponsorships, and the economic impact of the sponsorships. As a result, the division is unable to properly evaluate the events to determine the economic

impact of the sponsorships and whether its funds will be used effectively and efficiently to meet the division's objectives of promoting tourism in the state.

To ensure the division's sponsorship monies are used effectively and efficiently, the division should establish written criteria for selecting events to be sponsored by the division. In addition, the division should maintain records to analyze the economic impact of sponsorships on the state as a whole and on specific regions.

WE RECOMMEND the division:

- A. Require arrangements for sponsorship events to be substantially complete before making any payments. In addition, contract monitoring procedures should be developed to ensure important provisions have been met.
- B. Establish written criteria for selecting events to be sponsored by the division and maintain records to analyze the economic impact of sponsorships on the state as a whole and on specific regions.

AUDITEE'S RESPONSE

A&B. We concur.

4. General Fixed Assets

Our review of the division's general fixed asset records and procedures indicated the following areas in which improvements are needed:

- A. Fixed asset additions are not recorded in the fixed asset records in a timely manner and are not reconciled to equipment expenditures to ensure all items are properly recorded on the fixed asset records. For example, we reviewed the purchase of laptop computers costing \$21,100 and copy equipment costing \$12,700 which were purchased during our audit period and not added to the general fixed asset records.

The failure to properly record and reconcile property items reduces the control and accountability over fixed assets and increases the potential for loss, theft, or misuse of assets.

- B. A physical inventory of the fixed assets is not performed on an annual basis as required by the Code of State Regulations at CSR 40-2.031. The last fixed asset physical inventory verification was performed in June 1996 by an individual who had custody of selected fixed assets and was responsible for all of the record keeping duties.

Annual physical inventories are necessary to establish proper accountability over fixed assets. Documentation of the physical inventory should be retained to show compliance with the state regulations. In addition, the physical inventory should be performed by employees who are independent of the custody and record keeping responsibilities.

- C. General fixed asset items are not always numbered, tagged, or otherwise identified as division property. Property control tags should be affixed to all fixed asset items to help improve accountability and to ensure that assets are properly identified as belonging to the division.

WE RECOMMEND the division:

- A. Ensure general fixed asset purchases are added to the fixed asset records in a timely manner by periodically reconciling fixed asset additions to records of equipment purchases.
- B. Conduct an annual physical inventory and reconcile the physical inventory to the fixed asset records. Documentation of the physical inventories should be retained to show compliance with state regulations. The division should also ensure the individual who performs the physical inventory is independent of the custody and record keeping duties.
- C. Ensure all fixed assets are properly numbered, tagged, or otherwise identified as division property.

AUDITEE'S RESPONSE

A-C. *We concur.*

This report is intended for the information of the management of the Department of Economic Development, Division of Tourism and other governmental officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on State Auditor's Prior Recommendations

REVIEW OF THE
DEPARTMENT OF ECONOMIC DEVELOPMENT
DIVISION OF TOURISM
FOLLOW-UP ON STATE AUDITOR'S PRIOR RECOMMENDATIONS

This section reports follow-up action taken by the Department of Economic Development, Division of Tourism, on recommendations made in the Management Advisory Report (MAR) of our report issued for the period of July 1, 1994 through December 31, 1995. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the division should consider implementing these recommendations.

1. Presidential Library Funding

The division's control and monitoring of a \$1 million appropriation to promote tourism for the Harry S Truman Library was deficient. The division did not obtain a written contract with the NFP corporation outlining each parties' rights and obligations regarding the use of the state's money. The NFP corporation had used \$185,000 of the grant to fund the production of a film, while the remainder of the grant had been invested in fixed income investments.

Recommendation:

The division seek reimbursement of the unexpended portion of the grant. In the future, the division should enter into written agreements for all significant expenditures which specifically identify the rights and obligations of all parties. In addition, the division should establish criteria and implement procedures to ensure compliance with the written agreements and should disburse funds only as expenditures are incurred.

Status:

Implemented. The division obtained all supporting documentation of expenditures and reconciled them to the Library's records. The division requested the interest, but it was agreed that the interest should go towards the project. In addition, subsequent contracts with the Library were documented.

2. Sales Tax Funding

Section 620.467, RSMo 1994, indicated that the State Treasurer should annually transfer sales tax revenue from the General Revenue Fund-State to the Tourism Supplemental Revenue Fund. The section also indicated the transfer was based on a formula and should not exceed \$3 million in any year other than fiscal year 1996. In fiscal year 1996, the transfer may not exceed \$4 million, and the excess over \$3 million should be dedicated for the promotion of tourism presidential libraries. The fiscal year 1996 transfer totaled \$5,764,987, while using the formula the transfer should have

been \$1,764,987. This over-funding may have been due back to the state's General Revenue Fund.

Recommendation:

The division establish procedures to ensure annual transfers to the Tourism Supplemental Revenue Fund are made in compliance with the statutory restrictions. Furthermore, the division should request an Attorney General's opinion regarding the propriety of the fiscal year 1995 and 1996 transfer amounts. If determined necessary, the division should pursue revisions to Section 620.467, RSMo 1994, to clarify this section regarding the transfer provisions.

Status:

Partially implemented. While the division did not request an Attorney General's opinion regarding the propriety of the transfer amounts, it did work with the legislature to clarify and revise the wording of the statute.

3. Expenditures and Contracts

- A. The division permitted two out-of-state businesses to advertise in publications financed by the division.
- B. The division did not require its advertising agency to complete projects and pay its subcontractors prior to requesting reimbursements and commission fees from the division.
- C. The contract between the division and the advertising agency did not require the advertising agency to obtain competitive bids for purchases in excess of a predetermined amount.
- D. The contract between the division and the advertising agency did not specifically require the advertising agency to obtain written contracts with the subcontractors.
- E. The former Division Director used state resources to prepare and mail 4,527 copies of her resignation letter.

Recommendation:

The division:

- A. Refrain from using state monies to subsidize out-of-state businesses and establish procedures to ensure out-of-state businesses will not be advertised in future publications financed by the division.

- B. Require the advertising agency to complete projects and pay its subcontractors prior to requesting reimbursement from the division, and implement procedures to ensure the division does not pay the advertising agency commission fees until the project has been completed.
- C. Require the advertising agency to adhere to its bidding requirements to maintain documentation of the bids received and to evaluate bids in accordance with the contract guidelines. In addition, the division should add to future advertising contracts the requirement that the advertising agency obtain competitive bids for all purchases in excess of a predetermined amount.
- D. Work with the Office of Administration to add to future advertising contracts the requirement that the advertising agency obtain written contracts with its subcontractors. In addition, the division should implement procedures to ensure the contract terms with its advertising agency are followed.
- E. Along with the DED and the Tourism Commission, continue to work with the Attorney General's Office to determine whether the former Division Director's letter was an appropriate use of state resources and take appropriate action.

Status:

A&D. Implemented.

- B. Partially implemented. The division does ensure the projects are completed before paying the advertising agency; however, the advertising agency does not always pay its subcontractors before being reimbursed by the division. See MAR No. 2.
- C. Not implemented. See MAR No. 2.
- E. Implemented. After receiving a ruling from the Attorney General's Office with several options, the commission decided further action did not need to be taken.

4. Sponsorships

- A. The division paid over \$33,000 for promotional items and sponsorship fees without written contracts specifying what the division would receive in exchange for sponsoring the events.
- B. The division had not established written criteria for selecting events to be sponsored by the division. In addition, the division did not maintain records to determine the amount spent on sponsorships each year, the number of events sponsored, the regions benefiting from the sponsorships, and the economic impact of the sponsorships.

Recommendation:

The division:

- A. Enter into written agreements for all sponsorships which specifically identify what the division will receive in exchange for sponsoring the events.
- B. Establish written criteria for selecting events to be sponsored by the division and maintain records to analyze the economic impact of sponsorships on the state as a whole and on specific regions.

Status:

- A. Implemented.
- B. Not implemented. See MAR No. 3.

STATISTICAL SECTION

History, Organization, and
Statistical Information

DEPARTMENT OF ECONOMIC DEVELOPMENT
DIVISION OF TOURISM
HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

The Missouri Tourism Commission was created in 1967. The Division of Tourism is the administrative arm of the commission. The division is a part of the Department of Economic Development.

The commission determines policy for all matters relating to tourism promotion. The commission consists of ten members appointed for four-year terms without compensation. One member is the lieutenant governor. Two members are senators, appointed by the president pro tem of the Senate. Two members are from the House of Representatives and are appointed by the speaker of the House of Representatives. Five other persons are appointed by the governor.

Members of the Tourism Commission as of June 30, 1999, were:

<u>Member</u>	<u>Term Expires</u>
Lieutenant Governor Roger B. Wilson, Chair	No Term *
Mr. Louis P. Hamilton, Vice-Chair	January 2000
Senator Sidney Johnson	No Term **
Senator Roseann Bentley	No Term **
Representative Sam Leake	No Term **
Representative Chuck Pryor	No Term **
Mr. Buddy W. (Bud) Bolinger	January 1998 ***
Mr. Daniel R. Keller	January 1999 ***
Ms. Kathleen L. Tucker	January 1999 ***
Ms. Consuelo D. (Connie) Washington	January 1997 ***

* Lieutenant Governor is automatically a member of the commission.

** Appointed by the Speaker of the House or the President Pro Tem of the Senate at the beginning of each new session.

*** Continues to serve until a replacement is appointed.

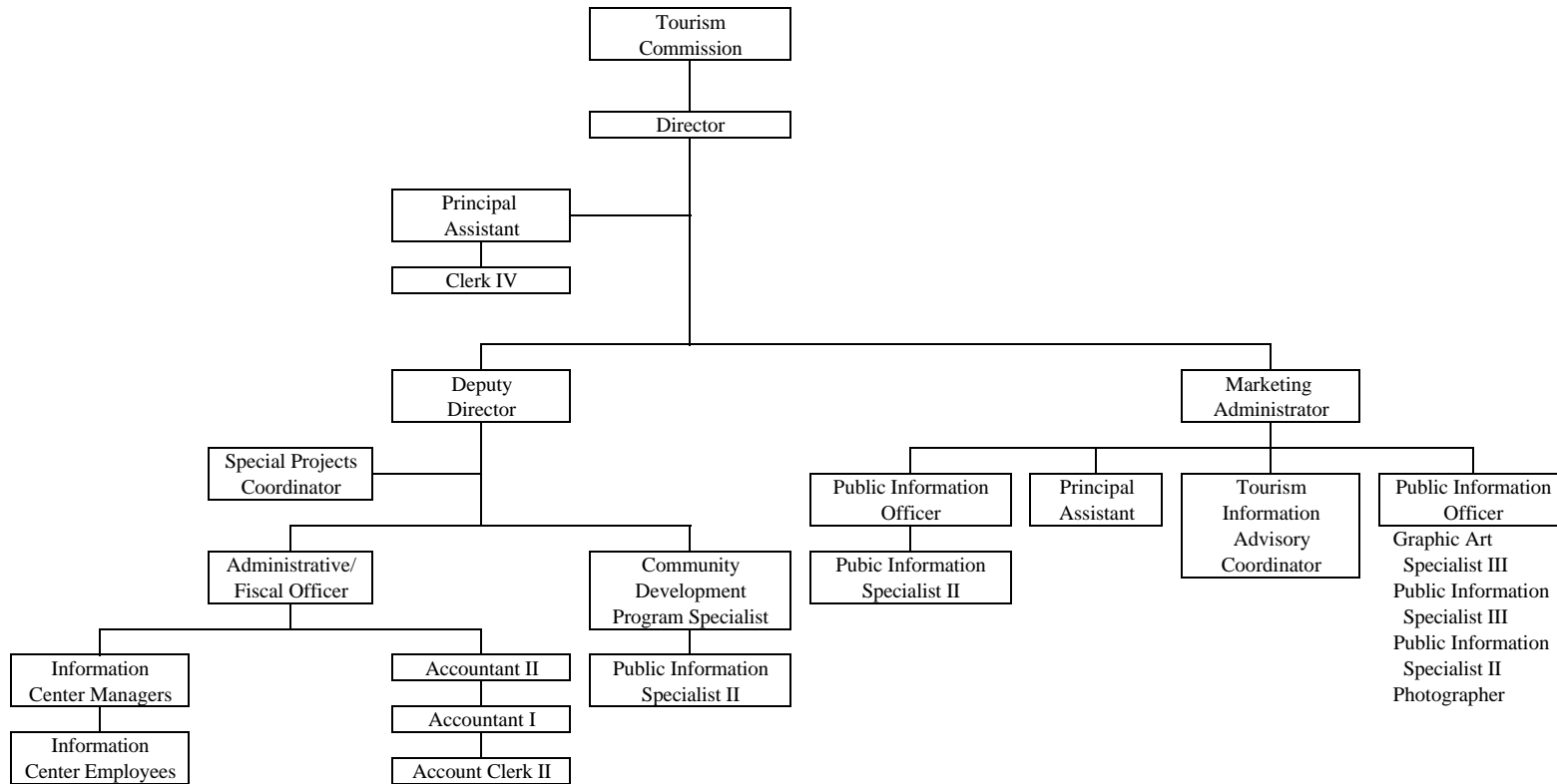
The purpose of the division is to promote the state's travel industry by encouraging visits by out-of-state vacationers and by encouraging Missourians to vacation in their home state. The division is administered by a director who is appointed by the Tourism Commission. Mr. Chris Jennings has served as Director since June 1996. At June 30, 1999, the division had thirty-nine full-time employees, thirty-four of whom were under the State Merit System.

The number of people visiting each information center during the two years ended June 30, 1999 were as follows:

Location	Year Ended June 30,	
	1999	1998
Hannibal	64,370	67,319
Jefferson City	15,389	16,381
Joplin	130,114	133,430
Kansas City	128,125	122,777
New Madrid	127,460	123,392
Rock Port	130,247	130,527
St. Louis	153,659	184,324
Total	749,364	778,150

An organization chart follows:

DEPARTMENT OF ECONOMIC DEVELOPMENT
DIVISION OF TOURISM
ORGANIZATION CHART
JUNE 30, 1999



APPENDIX A

DEPARTMENT OF ECONOMIC DEVELOPMENT
DIVISION OF TOURISM
COMPARATIVE SCHEDULE OF APPROPRIATIONS

	Year Ended June 30,				
	1999	1998	1997	1996	1995
General Revenue Fund-State	2,491,246	3,188,425	3,658,342	4,574,642	5,200,465
Division of Tourism Supplemental Revenue Fund	12,365,604	10,081,225	7,922,946	5,700,785	2,993,508
Tourism Marketing Fund	15,000	15,000	15,000	15,000	145,000
Total All Funds	\$ 14,871,850	13,284,650	11,596,288	10,290,427	8,338,973

R2/9

R2/8

v6.6/7

APPENDIX B

DEPARTMENT OF ECONOMIC DEVELOPMENT
DIVISION OF TOURISM
COMPARATIVE SCHEDULE OF EXPENDITURES (FROM APPROPRIATIONS)

	Year Ended June 30,				
	1999	1998	1997	1996	1995
Personal service	\$ 1,117,881	1,054,498	1,041,596	947,297	872,735
Travel and vehicle:					
Expense	151,962	131,991	142,757	114,326	149,728
Equipment purchase	4,500	0	0	30,985	0
Advertising	10,838,077	10,260,209	9,455,702	4,681,342	5,950,181
Office and communication:					
Expense	1,305,045	792,333	634,763	627,019	593,077
Equipment purchase	30,319	68,172	12,350	12,461	24,161
Institution and physical plant:					
Expense	50,475	88,309	46,519	51,519	62,063
Equipment purchase	3,727	6,988	3,557	1,310	10,774
Data processing expense and equipment	64,569	27,608	57,563	37,389	83,917
Professional and technical expense	177,471	131,948	94,571	48,409	26,241
Professional development and membership expense	67,014	68,814	35,837	22,387	39,126
Other expense	143,515	100,294	73,002	100,185	42,390
Capital improvements	0	0	0	0	0
Aid to institutions	0	0	0	1,000,000 *	0
Total Expenditures	\$ 13,954,555	12,731,164	11,598,217	7,674,629	7,854,393

* This amount represents an expenditure to fund a presidential library.

APPENDIX C

DEPARTMENT OF ECONOMIC DEVELOPMENT
DIVISION OF TOURISM
DIVISION OF TOURISM SUPPLEMENTAL REVENUE FUND
COMPARATIVE SCHEDULE OF DISBURSEMENTS, TRANSFERS
AND CHANGES IN CASH AND CASH EQUIVALENTS

	Year Ended June 30,	
	1999	1998
Transfers in from Tourism Sales Taxes	\$ 12,340,083	10,140,585
Less:		
Disbursements	12,009,540	9,619,137
Transfers out	254,240	267,018
TRANSFERS IN OVER		
DISBURSEMENTS AND TRANSFERS OUT	76,303	254,430
CASH AND CASH EQUIVALENTS,		
JULY 1	2,597,750	2,343,320
CASH AND CASH EQUIVALENTS,		
JUNE 30	\$ 2,674,053	2,597,750

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